

Message Text

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43

ACTION EA-09

INFO OCT-01 EUR-12 IO-10 ISO-00 EAE-00 SSO-00 NSCE-00

USIE-00 INRE-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05 /077 W

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O R 311610Z DEC 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC NIACT IMMEDIATE 1974

IHNO RUEKJCS/DIA WASHDC

AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LISBON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY PORT MOREBY

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

USLO PEKING

AMCONSUL HONG KONG

AMCONSUL MEDAN

AMCONSUL SURABAYA

USMISSION USUN NEW YORK

CINCPAC

CINCPACFLT

FOSIF WESTPAC

C O N F I D E N T I A L JAKARTA 15930

EO 11652: GDS

TAGS: PFOR PINS PDEV ID PO PT AS US XC

SUBJECT: PRESIDENT SUHARTO'S YEAR END ADDRESS:

PORTUGUESE TIMOR; PERTAMINA PROBLEM

1. IN TWENTY-FIVE MINUTE YEAR-END ADDRESS BROADCAST

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OVER STATE RADIO AND TELEVISION EVENING DEC. 31,

PRESIDENT SUHARTO MADE FOLLOWING COMMENTS ON TOPICS
OF MAJOR CURRENT INTEREST:

A. PORTUGUESE TIMOR (PT): SUHARTO DEVOTED MAJOR PORTION OF
SPEECH TOTWT. HE RESTATED "BASIC INDONESIAN VIEW" OF PT SITUATION
AS ONE OF SUPPORT FOR ORDERLY DECOLONIZATION, IN
ACCORDANCE WITH OPINION OF POPULATION, IN AREA WHICH
BECAUSE OF COMMON BORDER DIRECTLY AFFECTS SECURITY
OF INDONESIA. WHILE RESTRESSING THAT GOI HAS NO
TERRITORIAL AMBITIONS, SUHARTO ALSO REAFFIRMED THAT
IF WILL OF PT PEOPLE IS TO INTEGRATE WITH INDONESE

GOI WILL ACCEPT. HE ALSO STATED THAT WITH ESTABLISHMENT
OF PROVISIONAL GOVERNMENT (PG), GOI IS HOPEFULLY ORDERLY
SELF-DETERMINATION CAN BE CARRIED OUT AND HE NOTED
THAT GOI WOULD "HONESTLY FULFILL REQUESTS FROM THE
PG FOR ANY ASSISTANCE WHICH CAN BE GOVEN BY INDONESIA."
SUHARTO SAID INDONESIA ACKNOWLEDGES INTEREST IN PT
ON PART OF UN, BUT STRESSED THAT "WHATEVER DECISIONS
UN HAS TAKEN OR MIGHT TAKE" WITH RESPECT TO PT,
INDONESIA CANNOT "IGNORE OBJECTIVE REALITY AND A SENSE
OF JUSTICE/ REQUIRING THAT PT PEOPLE BE GIVEN CHANCE
TO DETERMINE THEIR OWN FUTURE AND "CANNOT AND WILL NOT SIT WITH
HANDS FOLDED IN FACE OF SITUATION WHICH DISTRUBS AND
CAN ENDANGER INTEGRITY OF ITS
NATIONAL TERRITORY." (COMMENT: SUHARTO STATEMENT
IS UNCOMPROMISING DEFENSE OF INDONESIAN POSTION ON
TIMOR. ALTHOUGH NOT MENTIONING PARTICIPATION OF
INDONESIAN TROOPS IN TIMOR FIGHTING, SUHARTO'S REFERENCE
TO INDONESIAN ACCETPANCE OF PG REQUEST FOR ASSISTANCE
IMPLIEDLY COVERS MILITARY ASSISTANCE AND LEAVES OPEN
POSSIBILITY THAT GOI MAY GIVE ITS MILITARY PRESENCE
OFFICIAL STATUS. ALSO OF INTEREST IS LACK OF REFERENCE
TO VISIT TO TIMOR OF UN SECGEN REPRESENTATIVES. FONMIN
MALIK EARLIER IN DAY, HOWEVER, HAD TOLD PRESS REP. WOULD
ARRIVE IN JAKARTA JANUARY 12 AND GOI WOULD TRY TO ENABLE
REP. TO VISIT PT AND "SEE SITUATION FOR HIMSELF".)

B. PERTAMINA PROBLEM: SUHARTO ALSO DEVOTED
EXTENSIVE SECTION OF SPEECH TO PERTAMINA PROBLEM.
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HE NOTED THAT NEED FOR "VIGILANCE AND CONCERN"
VIS-A-VIS WORLD AND DOMESTIC ECONOMIC PROBLEMS
WAS HEIGHTENED BY EXISTENCE OF PERTAMINA PROBLEM
AND ASSOCIATED "HEAVY FINANCIAL DIFFICULTIES", AND
SAID THAT PERTAMINA'S DIFFICULTIES IN PAYING ITS DEBTS
RESULTED FROM INVESTMENT ACTIVITIES WHICH EXCEEDED
ORGANIZATION'S FINANCIAL CAPABILITIES. HE STRESS THAT
PROBLEM WOULD BE OVERCOME BECAUSE GOI HAD ACTED QUICKLY,

BUT ADDED THAT REPAYMENT OF PERTAMINA DEBTS HAD REQUIRED USE OF FUNDS ACCRUED FROM EXPORT EARNINGS WHICH OTHERWISE WOULD HAVE BEEN USED FOR NATIONAL DEVELOPMENT PROJECTS. HE CALLED PERTAMINA PROBLEM "A GOOD LESSON" THAT HOPES FOR RAPID DEVELOPMENT MUST BE TEMPERED BY CONSIDERATION OF LIMITED RESOURCES, AND CONCLUDED THAT PLANS NOT BASED ON CAPABILITIES WOULD RESULT IN FAILURES. PERTAMINA SECTION IN SPEECH IMMEDIATELY FOLLOWED BY SECTION IN WHICH SUHARTO CALLED FOR BELT-TIGHTENING AND RENEWED EFFORTS TO ELIMINATE CONSPICUOUS LUXURY IN LIFE-STYLES AND MISUSE OF GOVERNMENT FUNDS. (COMMENT: DIRECT REFERENCE TO SERIOUSNESS OF ECONOMIC BURDEN CAUSED BY PERTAMINA PROBLEM IS AN UNUSUALLY BLUNT STATEMENT ON A SENSITIVE PROBLEM BY THE NORMALLY-CIRCUMSPECT SUHARTO. STRESS ON DEVELOPMENT PACED BY ABILITY TO PAY IS CLEAR NOT IN DIRECTION OF CONSERVATIVE DEVELOPMENT APPROACH OF TECHNOCRATS AS VERSUS RAPID DEVELOPMENT STRATEGY ESPOUSED BY PERTAMINA CHIEF IBNU SUTOWO. ALTHOUGH SUTOWO NOT MENTIONED BY NAME, SUHARTO STATEMENTS RE PERTAMINA PROBLEM WILL BE TAKEN -- PROBABLY ACCURATELY -- AS FURTHER INDICATION OF IBNU'S LOSS OF FAVOR WITH THE PRESIDENT.)

2. SUHARTO ALSO USED YEAR-END ADDRESS TO COMMUNICATE TO PUBLIC THAT HE HAS RECOVERED FROM RECENT GALL-BLADDER SURGERY. HE THANKED PUBLIC FOR EXPRESSIONS OF CONCERN DURING HIS CONVALESCENCE.

3. FULL TEXT OF ADDRESS BEING FORWARDED TO DEPARTMENT.

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Message Attributes

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Margaret P. Grafeld
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06 JUL 2006

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TAGS: PFOR, PINS, PDEV, ID, PO, PT, AS, US, XC, (SUHARTO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006